

# COMMERCIAL REAL ESTATE SERVICES

"Building Value Through Service"



March 18, 1996

Final District

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Mr. William F. Caton Acting Secretary Federal Communications Commission 1919 M Street, NW, Room 222 Washington D.C. 20554

Re: Telecommunication Services - Inside Wiring -Customer Premises Equipment, CS Docket 95-184

Dear Mr. Caton:

The purpose of this letter is to respond to the FCC's Notice of Proposed Rule Making released on January 26, 1996 regarding telephone and cable wiring inside buildings. Four copies of this letter are enclosed in addition to the original.

As a property manager and, on behalf of our clients, we are very concerned that any action by the FCC with regard to access to private property by large numbers of telecommunications service companies may adversely affect our clients' businesses which would also raise additional unnecessarily legal issues. In addition, the Commission's public notice also raises other issues of concern to us.

## **BACKGROUND**

**PICOR** is a small business which manages and leases commercial real estate. Many of the property owners we represent are also private investors or small businesses. We manage 51 properties totaling 2.2 million square feet and 1,053 residential units. That portfolio consists of office buildings, shopping centers, industrial, and apartment properties. In our office portfolio, we manage a downtown Tucson high-rise building as well as several other facilities, including mid-rise buildings, throughout Southern Arizona.

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## ISSUES RAISED BY THE FCC'S NOTICE

As stated above, the FCC's request for comments raises the following concerns to us:

- Access to private property
- Location of the demarcation point
- Standards for connections
- Regulation of wiring
- Customer access to wiring

#### 1. ACCESS TO PRIVATE PROPERTY

Modern telecommunications are critically important to our commercial tenants, as we are sure you will appreciate. Today's economy requires effective and up-to-date telecommunications services to meet ever-changing needs. For that reason, as property managers and owners of commercial property, it is very important we ensure our tenants receive the services they wish at an affordable price. Our business is fiercely competitive and if we do not provide our tenants with access to cutting-edge telecommunications, we could not compete or survive ourselves.

We believe that government intervention does not best meet our tenants' needs. Intervention could have the unintended effect of interfering with our ability to effectively manage our properties. Our responsibilities can only be met if our rights are preserved. We must coordinate with tenants and their service providers managing limited physical space in some instances; always ensuring the security and safety of the building tenants and visitors; and ensuring compliance with safety codes. Unneeded regulation will harm our client's interests, and those of our tenants and the public at large.

Because only the landlord can coordinate the conflicting needs of multiple tenants and multiple service providers, it is imperative that a building owner have control over the space occupied by telephone lines and facilities, especially in a multi-tenant building. Although this has traditionally been more of an issue for commercial properties, such coordination may become increasingly important in residential. Large scale changes in society, from increased telecommuting to implementation of a new telecommunication law, are leading to a proliferation of services, service providers and telecommunication needs. It is increasingly important for the landlord to maintain control over riser and conduit space, as this need will only continue to grow. For this reason, the best approach to the issues is to continue to allow building owners to retain ownership and control over their own properties - including inside wiring - as long as sufficient space is made available to meet all the needs of the building's occupants.

Each building's physical space which can be utilized for telecommunications facilities is limited. Even if it were possible to expand that space, there are limits and expansion may not be possible without **significant** expense. Expansion would disrupt the activities of the tenants and may damage the physical fabric of a building. It is unlikely that telecommunications service

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providers would consider such factors, because they would not be responsible for the resultant problems and unhappy tenants.

Security is also a prime concern in our buildings. The telecommunications service provider does not share this obligation. Consequently, maintenance and installation activities must be conducted within the rules established by the building's manager, and the manager must have the ability to supervise those activities. The public has a justified concern over personal safety, and we cannot allow service personnel to roam freely on our property without our knowledge.

Finally, local safety and building code compliance is always our responsibility and we are the front line in their enforcement. If we cannot control who works in our buildings, we cannot ensure compliance with such codes, thereby unfairly increasing our exposure to liability and adversely affecting public safety.

To summarize, we are fully capable of meeting our obligations to our tenants. As a competing small business, we will continue to make sure tenants have the services they need and desire. It is unnecessary for the government to intervene where our market self regulates.

## 2. DEMARCATION POINT

We believe the only locational criterion for demarcation point should be the nature of the property, not the specific technology involved. Commercial properties should have a uniform demarcation point while residential properties have a different one. For commercial buildings, the demarcation point should be inside the premises, preferably at the telephone vault or frame room. On residential properties, the demarcation point should be outside the building if the building is an apartment building where they do not employ a resident superintendent, and in any event it should be outside each resident's premises.

## 3. CONNECTIONS

Since the telecommunications industry has established standards for connections that are widely followed, we believe government action here is unnecessary. We believe it is in the best interest of the companies and their customers if these established standards continue to be followed.

#### 4. REGULATION OF WIRING

Since we are not service providers but only users of telecommunications, we cannot comment on proposals for the regulation of inside wiring. We do think it important to note there are substantial differences between residential and commercial buildings, and while it may make sense to account for the convergence in technologies, uniform rules for all types of properties does not make sense.

We also implore the government not to require retrofitting of existing buildings. This would impose a huge expense on the telecommunications service providers. We believe this issue is

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best left with the on-going discussions regarding amendments to the Model Building Code. Except where safety is involved, amendments to the building and electrical codes are seldom retroactive.

## 5. CUSTOMER ACCESS TO WIRING

We do not object to permitting a customer to install or maintain its own wiring or to buy the wiring from the service provider, provided the rights of the property owner are taken into account. A tenant's right to acquire or install wiring should be governed by state property law and the terms of the tenant's lease. We must retain the right to control activities on our own properties, if need be. A tenant's right in wiring should not extend beyond the limits of their demised premises, and the landlord must retain the right to obtain access to the wiring and control the type and placement of such wiring. We also believe that the owner of the premises should have the superseding right to acquire and install any wiring.

We urge the FCC to carefully consider the implications of any action it may take. We appreciate this opportunity to share our concerns and to have our voices heard on these critical issues.

Sincerely,

PICOR Commercial Real Estate Services

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